

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1041 – HB 1207

April 11, 2017

SUMMARY OF ORIGINAL BILL: Requires the Department of Health (DOH), beginning July 1, 2017, to identify the prescribers who are in the top 20 percent of prescribers of opioids in Tennessee in the prior year using data available in the controlled substances database. Requires the DOH to submit the identified prescriber's name to the staff of the board that issued the prescriber's license. Requires the board to notify the prescriber of the prescriber's identification as a high volume prescriber and require the prescriber to meet certain requirements for one year from the point the prescriber was notified of the provider's identification as a high volume prescriber. States that all costs associated with the proposed legislation will be paid by the identified provider. Allows for a provider to request a contested case hearing if the provider disputes the identification as a high volume prescriber of opioids.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$12,400/One-Time
\$382,600/Recurring

Increase State Expenditures - \$12,400/One-Time
\$382,600/Recurring

SUMMARY OF AMENDMENT (007061): Deletes all language after the enacting clause. Requires the Department of Health (DOH), beginning July 1, 2017, to identify high-risk prescribers based on clinical outcomes including patient overdoses and makes the prescribers subject to selected chart review and investigation by the DOH. Requires the DOH, if a prescriber is identified as a high-risk prescriber, to submit the high-risk prescriber's information to the board that issued the prescriber's license for appropriate action. Requires the licensing board, upon receiving the information, to notify the prescriber, and, if applicable, the prescriber's supervising physician, of their high-risk status and require the prescriber to meet certain criteria. Declares that all costs associated with this section are to be paid by the identified provider. Allows for a provider to request the DOH conduct an internal review of the identification, which is to be done by the Commissioner or the Commissioner's designee.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue - \$26,100/One-Time/Division of Health Related Boards
\$715,200/Recurring/Division of Health Related Boards**

**Increase State Expenditures - \$26,100/One-Time/Division of Health Related Boards
\$715,200/Recurring/Division of Health Related Boards**

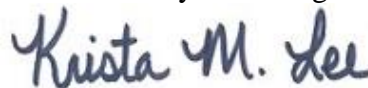
Other Fiscal Impact – The boards within the Division of Health Related Boards (DHRB) are required to be self-supporting. As a result, any substantial increase in expenditures may result in a subsequent increase in fees in order to offset any increased expenditures. The DHRB had a cumulative reserve balance of \$31,069,033 on June 30, 2016.

Assumptions for the bill as amended:

- Based on information provided by the DOH, the proposed legislation cannot be accommodated within existing resources. The Division of Health Related Boards would need six additional positions to handle the analytical, notification, review and compliance requirements of the proposed legislation.
- The one-time increase in state expenditures associated with the additional positions is estimated to be \$26,100 (\$9,900 computer cost + \$16,200 office furniture).
- The recurring increase in state expenditures associated with the additional positions is estimated to be \$715,231 (\$527,900 salaries + \$129,131 benefits + \$47,400 administrative cost + \$7,200 communications + \$3,600 supplies).
- All costs associated with this legislation are required to be paid by the identified providers. Therefore, it is assumed the Division of Health Related Boards will impose additional fees on such providers sufficient for a one-time increase in state revenue of \$26,100 and a recurring increase in state revenue of \$715,231.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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